

**SPRINGFIELD, CITY OF—FINANCIAL MANAGEMENT
STRUCTURE—REORGANIZATION**

CHAPTER 656

AN ACT relative to reorganization of the financial management structure of the City of Springfield.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Notwithstanding the provisions of any general or special law to the contrary, the city of Springfield. is hereby authorized to capitalize certain sums, the amortization amount, resulting from extraordinary costs in the areas of public safety training programs and contributory group health insurance. The city of Springfield is hereby authorized to fund the amortization amount over a period starting with fiscal year nineteen hundred and ninety and not exceeding five years. The amortization amount, for the purposes of this act, shall be that amount, determined by the city of Springfield and certified by the commissioner of revenue, which is the sum of: the expenses incurred by the city of Springfield between January first, nineteen hundred and eighty-eight and June thirtieth, nineteen hundred and eighty-nine for public safety training programs, and those sums expended by the city of Springfield during fiscal year nineteen hundred and eighty-nine on contributory group health insurance in excess of the original appropriation therefore for said fiscal year; provided, however, that in no event shall the amortization amount exceed nine million dollars.

Notwithstanding the provisions of any general or special law or ordinance to the contrary, but fully subject to the provisions and limitations of section twenty-one C of chapter fifty-nine of the General Laws, the assessors of the city of Springfield may, subject to the approval of the commissioner of revenue, deduct, for fiscal year nineteen hundred and ninety, an amount not greater than eighty percent of the amortization amount from the amount to be assessed pursuant to section twenty-three of chapter fifty-nine of the General Laws. Under the conditions imposed herein, the assessors of the city of Springfield may similarly deduct: for fiscal year nineteen hundred and ninety-one, an amount not greater than sixty percent of the amortization amount; for fiscal year nineteen hundred and ninety-two, an amount not greater than forty percent of the amortization amount, and for fiscal year nineteen hundred and ninety-three, an amount not greater than twenty percent of the amortization amount from the amount to be assessed for that fiscal year pursuant to section twenty-three of chapter fifty-nine of the General Laws.

Except as is expressly provided for herein, this act shall not authorize or permit any alteration in the maintenance of said city's accounts nor in the procedures whereby the assessors annually determine the amount of taxes to be assessed.

Such deductions as are herein authorized for the fiscal years nineteen hundred and ninety through nineteen hundred and ninety-three shall be permissible only to the extent that the commissioner of revenue annually determines and approves in each of those fiscal years that such deduction is necessary and appropriate to maintaining fiscal stability in the city of Springfield. The commissioner of revenue is further authorized; as a condition of his annual approval as provided for herein, to require that the city of Springfield submit for said commissioner's review a copy of the proposed annual budget document as well as any supplemental appropriation orders as may from time to time be made. The commissioner may further require that the city of Springfield incorporate in such annual budget document and supplemental appropriation orders such specific expenditure, revenue or other financial information as he deems reasonable or useful to ensure a balanced, annual budget and promote fiscal stability in the city of

Springfield. The failure of the city of Springfield to comply with such requirements shall, without otherwise limiting the commissioner's general authority to withhold approval for such deductions, be sufficient grounds for denying such deductions.

SECTION 2. Notwithstanding the provisions of any general or special law or local ordinance to the contrary, there shall be in the city of Springfield a department of finance which shall be responsible for the overall budgetary and financial administration of the city of Springfield. Said department of finance shall be under the charge and control of a chief financial officer who shall be appointed by the mayor for a term of three years. The chief financial officer shall report to and be under the direction of the mayor. Subsequent to the effective date of this act and upon the appointment as herein provided of a chief financial officer, the joint position of auditor-budget director in the city of Springfield shall hereby be abolished; provided, however, that the amount of the existing salary appropriation for the auditor-budget director's position shall remain in effect to provide benefits for vested sick leave and vacation earned by the incumbent in said position prior to the effective date of this act. The calculation of the said incumbent's length of service under the retirement law shall include the aforesaid periods of vested sick leave and vacation.

The chief financial officer shall be a person especially suited by education, training and experience to perform the duties of the office.

The chief financial officer shall not at any time assume the duties or responsibilities of the city auditor or city collector/treasurer, nor shall he or the city auditor or the city collector/treasurer hold any elective office or engage in any other business or occupation.

The chief financial officer shall recommend, and from the name or names so recommended, the mayor may appoint the members of the board of assessors, a collector/treasurer and a director of data processing for a term of three years, and the aforementioned appointees shall have such powers and duties as may be vested in their respective offices expressly by general or special law, which powers or duties shall not be limited or altered by this act, together with such powers not inconsistent with this act which may be vested in those offices by ordinance, but shall otherwise report to and be under the direction of the chief financial officer and the mayor on matters relating to the financial operation of the city.

Notwithstanding the provisions of this act, all incumbents in the positions of collector/treasurer, board of assessors and director of data processing shall continue to serve in such capacity after the effective date of this act, provided, however, that the mayor may remove such incumbents at any time, and without cause upon written notice.

The mayor shall appoint, subject to the approval of the city council, a city auditor for a term of three years.

The powers and duties of the chief financial officer shall include the following: coordination, administration, and supervision of all financial services and activities; assistance in all matters related to municipal financial affairs; implementation and maintenance of uniform systems, controls, and procedures for all financial activities in all departments, including the school department, or boards, commissions, agencies or other units of city government the operations of which have a financial impact upon the general fund of the city, and including but not limited to maintenance of all financial and accounting data and records; implementation and maintenance of uniform financial data processing capabilities for all departments; supervision of all financial data processing activities; implementation and maintenance of uniform budget guidelines and procedures; assistance in development and preparation of all department budgets and spending plans; review of all proposed contracts and obligations with a term

in excess of one year; monitoring of the expenditure of all funds, including periodic reporting by and to appropriate agencies of the status of accounts; review of the spending plan for each department; and the allotment of funds on a periodic basis as provided for herein. In- all cases where the duty is not expressly charged to any other department or office, it shall be the duty of the chief financial officer to promote, secure, and preserve the financial interests of the city.

All department budgets and requests for budget transfers shall be submitted to the chief financial officer for review and recommendation prior to submission to the mayor, city council or school committee, as appropriate.

For each and every proposed appropriation order, and with respect to any proposed city council vote necessary to effectuate a financial transfer, ordinance revision, or special legislation which may require the expenditure of funds or otherwise financially obligate the city for a period in excess of one year, or with respect to a vote to authorize a borrowing pursuant to a provision of law other than sections four, six or six A of chapter forty-four of the General Laws, the chief financial officer shall, if it be the case, submit in writing to the mayor and city council a certification that it is his professional opinion, after an evaluation of all pertinent financial information reasonably available, that the city's financial resources and revenues are and will continue to be adequate to support such proposed expenditures or obligations without a detrimental impact on the continuous provision of the existing level of municipal services. If the chief financial officer fails to provide a certification as aforementioned within seven days of a request. for such certification from the city council or mayor, such appropriation order, financial transfer, ordinance revision, special legislation or borrowing authorization may nonetheless be approved, provided that the absence of the certification of the chief financial officer is expressly noted in such order or vote.

The members of the board of assessors, the chief financial officer, collector/treasurer and director of data processing shall be subject to removal by the mayor or the chief financial officer with the approval of the mayor. The mayor may make such acting appointments for the positions of chief financial officer, city auditor, collector/treasurer, board of assessors and director of data processing as may be required for the continued operation of government for periods of ninety days, not to exceed a total of one year.

SECTION 3. The city auditor of the city of Springfield shall have such powers and duties as may be vested in his office by general or special law, and in addition thereto, such powers and duties as are provided for herein. To the extent not otherwise inconsistent herewith, the office of the city auditor shall also have such powers and duties as are provided for by ordinance.

The city auditor shall, in addition to his other duties, provide upon majority vote and at the written request of the city council, within a reasonable time period from such request, an oral or written assessment, or both, as the city council may request, of the current and future financial impact of the cost of any proposed appropriation order, lease arrangement for a term in excess of one year, collective bargaining agreement or borrowing authorization, particularly, but not limited to, as such cost item would relate to the continuous provision of the existing level of municipal services. To the extent reasonable, such assessment shall include such analysis or other information of a financial nature as is specifically requested by vote of the city council. Such assessment and analysis shall be provided by the auditor as his professional opinion and he shall not be obligated to represent the position of the mayor or the chief financial officer.

The city council by majority vote may request such assessment, analysis or other financial information, without otherwise limiting its general authority to request such, at any time it receives formal or informal notice of: (i) an expenditure which is or may be in excess of an appropriation; (it) a condition where an allotment is or may be exceeded; (iii) a certification of the chief financial officer as provided for in section two; or (iv) any actions with respect to temporary or permanent indebtedness.

The city auditor shall be subject to removal by the mayor with the approval of the city council, by majority vote.

SECTION 4. Notwithstanding the provisions of any general or special law or ordinance to the contrary, on the effective date of this act or within ninety days thereafter, all city financial activities shall be consolidated and transferred to the appropriate department as determined by the chief financial officer with the approval of the mayor. For purposes of this act, the phrase financial activity shall mean all duties, responsibilities, tasks, jobs, or employment positions within or assigned to any city department, board, commission, agency or other unit of city government, including the school department, which substantially involve one or more of the following: accounting, auditing; billing, borrowing or leasing, budgeting, collecting, data processing, payroll and payments. The chief financial officer shall, from time to time, further review and reevaluate the financial activities of the city of Springfield, and from time to time make, with the approval of the mayor, such additional consolidations or transfers of financial activities as appropriate to promote the fiscal stability of the city of Springfield; provided, however, that no consolidations or transfers of financial activities or professional positions of the office of the city auditor shall become effective unless and until approved by the mayor and the city council.

To the extent that personnel performing financial activities as defined herein devote all or a substantial portion of their employment activities to matters related primarily to a particular department, board, commission, agency or other unit of city government, and such personnel are not paid from, or their employment expenses not charged to, the appropriation of such department, board, commission, agency or other unit of city government, the chief financial officer is authorized and shall devise a reasonable "charge-back" system so as to provide for the recovery from the appropriation of such department, board, commission, agency or other unit of city government the full employment expenses of the aforementioned personnel.

SECTION 5. For purposes of this act the phrase personnel activity or personnel activities shall mean all duties, responsibilities, tasks or jobs which involve one or more of the following: civil service; personnel administration and employee communication; employee assistance; employee relations; job analysis; medical and life insurance; personnel research, performance standards, policy formulation and control; records and reports; salary administration; separations; safety administration; staffing; training and development; unemployment compensation; and workmen's compensation. All city employees who perform any personnel activity including but not limited to the school department's personnel director, supervisor of personnel and any other positions that are non-instructional, shall on the effective date of this act or within ninety days thereafter be transferred to the personnel department of the city and be assigned to such locations as deemed appropriate by the city's personnel director upon the approval of the mayor.

SECTION 6. Notwithstanding the provisions of any general or special law to the contrary, on or before August first of each year, or within ten days after the approval by the city council and the mayor of the annual budget for such fiscal year, whichever shall occur later, the persons or officers in charge of all city departments, including the superintendent of schools for the school department, or boards, commissions, agencies or other units of city government, the operations of which have a financial impact upon the general fund of the city, shall submit to the chief financial officer and the city auditor, with a copy to the city clerk who shall transmit the same to the city council, in such form as the city auditor may prescribe, an allotment schedule of its appropriations for all personnel expenditure categories included in said budget, indicating the amounts to be expended by the department, board, commission, agency or other unit of city government for such purposes during each of the following five allotment periods: July first through September thirtieth, October first through December thirty-first, and January first through the last day of February, March first through April thirtieth, and May first through June thirtieth.

Whenever the chief financial officer or the city auditor determines that any department, board, commission, agency or other unit of city government, including the school department, will exhaust or has exhausted its time period allotment and any amounts unexpended in previous periods, he shall give notice in writing to such effect to the department head or other officer in charge thereof, the mayor, the

city solicitor, the chief financial officer or city auditor as appropriate, and to the city clerk who shall forthwith transmit the same to the city council. Upon such a determination and notice thereof, the chief financial officer shall provide to the foregoing officials additional reports on at least a monthly basis indicating the status of such accounts.

The mayor, within ten days after receiving such notice, shall determine whether to waive such allotment. A determination that such allotment shall be waived shall not become effective unless and until the chief financial officer files with the mayor and city clerk a certificate that in his opinion sufficient financial resources are or will become available to accommodate the amount of the expenditures in excess of allotment within subsequent period allotments to such department, board, commission, agency or other unit of city government. If the allotment for such period is waived, the department, board, commission; agency or other unit, of city government shall reduce subsequent periods' allotments by the amounts necessary to keep its expenditures within its annual budget, and shall file a report of such allotment adjustments with the mayor, city council, chief financial officer and city auditor. If the allotment for such period is not waived, the department, board, commission, agency or other unit of city government shall terminate all personnel expenditures necessary to meet allotted amounts for the remainder of such period; provided, however, that to the extent that personnel expenditures must be reduced pursuant to the foregoing for one or more allotment periods, no provision included herein shall be construed to abridge the rights of the city or its municipal employees including school department employees to negotiate the method of implementing the required reductions, within twenty-one days of the mayor's determination not to waive such allotment, pursuant to a collective bargaining agreement under the provisions of chapter one hundred and fifty E of the General Laws. All actions, notices and decisions provided for in this section shall be transmitted to the city clerk and city council within seven days.

No personnel expenses earned or accrued within any department, board, commission, agency or other unit of city government shall be charged to or paid from any allotment of a subsequent period without the written approval of the mayor, except for subsequently determined retroactive compensation adjustments, or in the case of an emergency involving the health or safety of the people or their property.

Approval of a payroll for payment of wages, salaries or other personnel expenses which would result in an expenditure in excess of the allotment, except in the case of an emergency involving the health or safety of the people or their property, shall be a violation of this section by the person or officer in charge of the department, board, commission, agency or other unit of city government, including the superintendent of schools and the school committee. If the continued payment of wages, salaries or other personnel expenses is not approved in a period where a department, board, commission; agency or other unit of city government, has exhausted the period allotment or allotments as specified above, or in any event, has exceeded its entire appropriation for a fiscal year, the city shall have no obligation to pay such personnel costs or expenses arising after such allotment or appropriation has been exhausted, except in the case of an emergency involving the health or safety of the people or their property.

Notwithstanding the provisions of chapter one hundred and fifty E of the General Laws, every collective bargaining agreement entered into by the city or the school department after the effective date of this act shall be subject to and shall expressly incorporate the provisions of this section.

Where a supplemental appropriation which authorizes and provides for additional personnel expenditures is approved during the course of and with respect to the current fiscal year and prior to the first day of April of that fiscal year, the subsequent period allotments shall be revised and supplemented so as to include the additional personnel expenditures authorized by such supplemental appropriation.

For purposes of this act the word "emergency" shall mean a major disaster, including but not limited to, flood, drought, fire, hurricane, earthquake, storm or other catastrophe, whether natural or otherwise, which poses an immediate threat to the health or safety of persons or property.

SECTION 7. Notwithstanding any general or special law to the contrary, the city of Springfield shall establish a special reserve fund for extraordinary and unforeseen expenditures, which fund shall be denominated the "supplemental reserve fund to ensure fiscal stability". Such fund shall be separate and in addition to any amounts appropriated pursuant to the provisions of section five A of chapter forty of the General Laws.

Prior to the date when the tax rate for fiscal year nineteen hundred and ninety is fixed, the board of assessors shall include in the amounts to be raised pursuant to section twenty-three of chapter fifty-nine of the General Laws for such fiscal year a sum equal to one percent of the gross amount to be raised for fiscal year nineteen hundred and eighty-nine for the general operating fund as appearing on the city's tax rate recapitulation for said year, such amount to be certified to the board of assessors by the city auditor. This amount shall be allocated to the special reserve fund provided for hereby for fiscal year nineteen hundred and ninety and may be expended for the purposes and in the manner hereinafter provided, and the expenditure in whole or in part of such fund in fiscal year nineteen hundred and ninety shall not result in any penalties or adjustments with respect to the required level of subsequent years' special reserve funds.

Prior to the date when the tax rate for any fiscal year subsequent to fiscal year nineteen hundred and ninety is fixed, the board of assessors shall include in the amounts to be raised pursuant to section twenty-three of chapter fifty-nine of the General Laws for such fiscal year a sum equal to one and one-quarter percent of the gross amount to be raised of the prior fiscal year as appearing on the city's tax rate recapitulation for said prior fiscal year, and such sum shall be allocated to the special reserve fund of the then current fiscal year, provided however, that the amount required to be raised for such reserve fund in any such fiscal year may be reduced by the amount, if any, remaining in the reserve fund established for the preceding fiscal year after all expenditures have been made therefrom as hereinafter authorized, and such remaining amount shall be retained in the special reserve fund provided for the then current fiscal year.

Expenditures may be made from the special reserve fund of any fiscal year for extraordinary or unforeseen purposes by the mayor with the approval of the city council, provided, however, that each expenditure request by the mayor shall be accompanied by a written statement detailing the amount and reason for the expenditure.

If in any fiscal year subsequent to fiscal year nineteen hundred and ninety, the special reserve fund as provided for herein is depleted by expenditures in excess of fifty percent of the amount required to be allocated to such fund for such fiscal year, which amount shall include any penalty adjustments as provided for hereinafter, or if the city incurs deficits with respect to such fiscal year in excess of fifty percent of the aforementioned amount, the special reserve fund requirement for the succeeding fiscal year shall be increased by one-quarter of one percent, which percentage increase shall be of a permanent nature and be fully effective with respect to the special reserve fund requirements of all succeeding fiscal years, except as provided for hereinafter. In no event, however, may the special reserve fund requirement for any fiscal year exceed five percent of the gross amount to be raised of the prior fiscal year as appearing on the city's tax rate recapitulation of said prior fiscal year. The amounts required by this act to be raised for the special reserve fund for each fiscal year shall be certified to the board of assessors by the city auditor prior to the establishment of the tax rate for the then current fiscal year.

Notwithstanding the foregoing, the mayor, with the approval of the commissioner of revenue, may for any fiscal year, reduce the amount otherwise required to be raised for the special reserve fund of such fiscal year by one-quarter of one percent, which percentage decrease shall be of a permanent nature and be fully effective with respect to the special reserve fund requirements of all succeeding fiscal years.

SECTION 8. No official of the city of Springfield, except in the case of an emergency involving the health or safety of the people or their property, shall intentionally expend in any fiscal year any sum in excess of such official's departmental appropriation duly made in accordance with law, nor commit the city to any obligation for the future payment of money in excess of such appropriations.

Any official who intentionally violates the provisions of this section shall be personally liable to the city for any amounts expended in excess of an appropriation to the extent that the city does not recover such amounts from the person or persons to whom such sums were paid. The trial court of the commonwealth or a single justice of the supreme judicial court shall have jurisdiction to adjudicate claims brought by the city hereunder and to order such relief as the court may find appropriate to prevent further violations of this section. Any official who violates the provisions of this section shall be subject to removal:

For purposes of this act the word "official" shall mean a city department head, permanent, temporary or acting including the superintendent of schools and all municipal boards, committees and commissions which recommend, authorize or approve the expenditure of funds. However the word "official" shall not be construed to mean the city council, mayor or school committee.

SECTION 9. The provisions of this act shall be deemed to supersede any ordinance which is contrary or inconsistent with the provisions of this act.

SECTION 10. This act shall take effect upon its passage, except that the provisions of section six as to allotments shall be in effect only with respect to allotment periods ending forty-five days or more after, the effective date of this act; and an allotment schedule must be submitted as provided within fifteen days of the appointment of a chief financial officer.

SECTION 11. The city shall conduct a study to determine the most appropriate manner in which the civic center and municipal hospital should be operated and the most cost effective relationship with the Springfield library and museums association.

Notwithstanding the provisions of any general or special law or ordinance to the contrary, the water commission shall establish rates for water which shall include, at least, an amount adequate to cover: (i) an appropriate rate for the sale of water as determined by the water commission in its sole discretion; plus (ii) any current and past operating deficits; (iii) establishment of a sufficient capital and operating reserve fund; and (iv) reimbursement of the city's general fund for all direct and indirect administrative costs incurred by the city relative to the water department. The water department shall annually pay to the collector/treasurer a sufficient amount to cover the costs specified in clauses (ii) and (iv) which money shall be put into the general fund of the city.

Notwithstanding the provisions of any general or special law to the contrary, the city council shall establish rates for waste water treatment which shall consist of the following: (i) an appropriate sewer use fee which may establish different rates for all classes of users including residential, commercial, institutional, industrial, governmental, charitable, and non-profit or such other classes as may be recommended by the director of the department of public works and which shall include charges for septage disposal; sewer cleaning; sewer construction and repair; and appropriate surcharges for BOD concentration, suspended solids concentration, fat, oil and grease concentration and related substances as recommended by the public works director; plus (ii) any current and past operating deficits; (iii) establishment of a sufficient capital and operating reserve fund; and (iv) reimbursement of the city's general fund for all direct and indirect administrative costs incurred by the city relative to the waste water treatment plant. The department of public works shall annually pay to the collector/treasurer a sufficient amount to cover the costs specified in clauses (ii) and (iv) which money shall be put into the general fund of the city.

Notwithstanding the foregoing, nothing in this act shall be construed to limit the authority of the city to pay a judgment duly entered by a court of competent jurisdiction or to limit the city solicitor's authority to settle pending cases as permitted by law.

Approved January 8, 1990.